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Draft—Housing Investment Area guidelines to replace SOA section of the Consolidated Plan—Draft

HOUSING INVESTMENT AREAS

The guidelines described in this section apply to geographic areas in Seattle that have unique housing and community development issues. Largely, these are neighborhoods in Downtown, Central Area, Southeast, and Southwest, all areas that have been historically economically distressed and where accomplishing revitalization goals requires a continued focus in terms of targeted housing strategies and resources.

The City of Seattle has had geographic housing policies dating back to about 1975. These policies have primarily governed the location of subsidized housing. Starting in 1982, the areas subject to those location guidelines and accompanying strategies were called “Special Objectives Areas” (SOAs). The primary purpose of the SOA guidelines was to target housing programs, in combination with community development programs, to revitalize neighborhoods and to make sure that over-concentration of subsidized housing was not occurring in economically distressed areas.

City Council asked the Office of Housing to reexamine the 20-year old SOA guidelines as part of the 2004 Update to the Consolidated Plan. That process involved looking at new 2000 Census, market and other data to identify changes and trends in the four SOAs (Downtown, Central Area, Southeast, and Southwest). This information was presented to residents and community groups in these historically distressed communities as part of a discussion about strategies needed to help achieve housing and community development goals for their neighborhoods.

The result of that process is this new Housing Investment Areas section, which broadens the scope of the SOA policies to include more detailed lists of strategies based on the unique housing and community development goals for each area, primarily as identified in Neighborhood Plans. Downtown continues to be a priority area for City housing efforts, and the strategies for the Central Area, Southeast, and Southwest are geared toward strengthening the City’s focus on achieving key community development and revitalization objectives in those areas. Review of current data also showed two north end neighborhoods, Bitter Lake and Northgate, as areas that need targeted housing strategies, due to high concentrations of subsidized rental housing, low homeownership rates, and other emerging indicators of economic distress.

Housing Investment Area Boundaries

Housing Investment Area boundaries help identify where neighborhood-specific strategies will be implemented, and facilitate targeting of Neighborhood Housing Opportunity Program (NHOP) and Homebuyer Assistance Program funds in those areas. These are two new programs that came about with voter approval of the 7-year, \$86 million Housing Levy in September 2002. Because NHOP and the Homebuyer Assistance Program are relatively small programs, each averaging about \$1 million per year for the duration of the Levy, City Council directed that the funds be made available primarily in economically distressed communities.

The methodology for designation of the Housing Investment Areas involved a 2-step process: (1) analysis of 2000 Census and other data, and (2) consideration of where other City funds are already being targeted for investment and where unique opportunities exist that could make the NHOP Program and Homebuyer Assistance Program particularly effective in assisting community revitalization efforts. The following describes both of those steps in more detail:

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Step 1: Objective Criteria

Nine objective indicators were identified as measures of “economic distress”. The 9 criteria are:

1. Income < 50% of median in one or more block group (Source: 2000 Census)
2. Subsidized rental housing > 30% of total housing units in one or more block group (Source: OH Dispersion Database)
3. SF sale prices < 80% of median; < \$240K in 2002 (Source: NW Multiple Listings Service)
4. Poor housing conditions (Source: DCLU Vacant Building and Code Violation Maps)
5. Above average Part I crime rates in 2000 and 2001 (Source: Seattle Police Department Annual Reports)
6. Job growth < 10% of target (Source: DCLU)
7. Residential growth < 30% of target (Source: DCLU)
8. Homeownership rates < 50% in one or more block groups (Source: 2000 Census)
9. Market rents < 81% of average; < \$720 in 2003 (Source: Dupre+Scott)

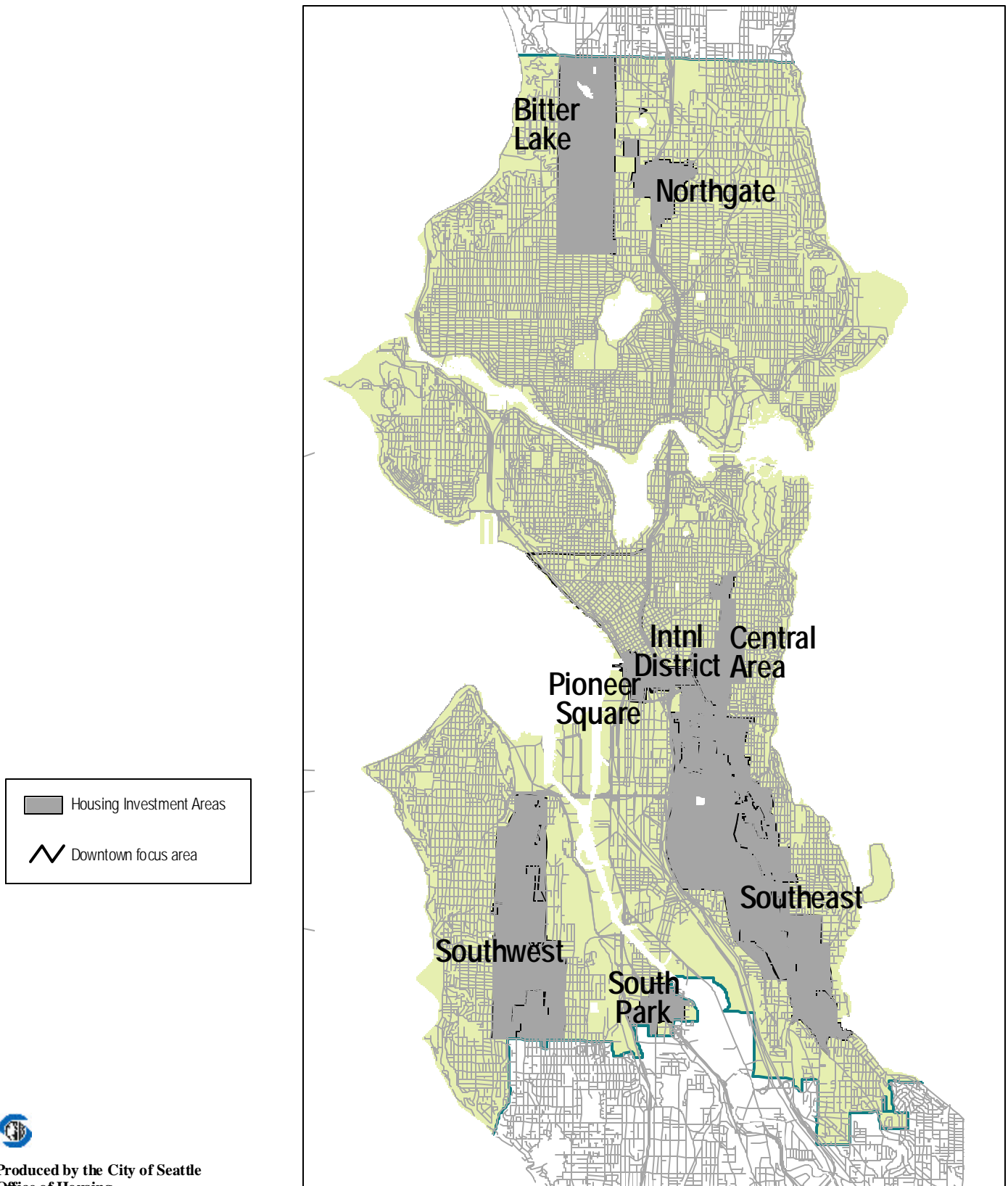
These criteria were used to score and rank neighborhoods throughout the City. The income and residential growth indicators (criteria 1 and 7) were given greater weight in order to adequately reflect those neighborhoods that have very low-income populations and that lack residential development activity.

Step 2: Identifying Opportunities to Maximize Impact

This second step was primarily used to identify economically distressed communities where public investments are already being made and where the Levy NHOP and Homebuyer Assistance Programs could have the greatest impact. The objective was to combine limited NHOP and homebuyer assistance funds with other City resources to achieve priority community development goals. Most of the designated Housing Investment Areas are also target areas for other kinds of community development programs (HOPE VI, Neighborhood Revitalization Strategy Areas, economic development priority areas, transit-oriented community development fund, children & youth strategy areas, etc.). Levy NHOP funds are primarily available in urban villages, where mixed-use zoning permits the type of community development projects envisioned for economically distressed areas. Parts of designated Housing Investment Areas are eligible for Homebuyer Assistance Program funds, but not NHOP. These tend to be lower-density neighborhoods with indicators of economic distress, where a large stock of affordable single-family homes and low homeownership rates make that program particularly suitable.

The map on the following page shows the location of the Housing Investment Areas designated based on the criteria described above, as well as the broader Downtown area, where the City will continue its efforts to achieve a continuum of housing for people of all incomes.

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Seattle Housing Investment Areas



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Community Review of Proposed Affordable Rental Housing

The City is committed to requiring community review of all Seattle rental housing projects proposed for City funding. *Good Neighbor Guidelines* have been developed to guide the community outreach process, and are applied citywide. The Office of Housing has a Siting Assistance Coordinator who advises community groups and providers on implementation of the guidelines, to ensure a meaningful two-way dialogue about proposed projects. Project sponsors are required to provide advanced notice to neighbors and appropriate community groups of proposed low-income housing projects. This enables neighbors and community groups to express concerns, suggestions or support, and to have their questions answered. The dialogue with project sponsors may result in changes to a proposed project to help make it a better fit from a community perspective. The City carefully reviews the community notification process and results for every project when reviewing funding applications, and satisfactory implementation of the Good Neighbor Guidelines is an important factor when making final funding decisions. The City encourages housing developers not using City funding to also follow the Good Neighbor Guidelines.

Downtown Seattle Priorities and Strategies

Downtown continues to be a strong focus of City housing investment efforts. Since 1982, when the SOA guidelines were adopted, \$92.5 million of City affordable housing funds have been spent in Downtown (46% of total funds). The benefits of concentrated housing investments, both in terms of meeting the housing needs of very low-income populations and low-wage workers (i.e. retail, janitorial staff, healthcare workers, etc.) as well as achieving community development objectives, are highlighted in Downtown. The revitalization of Belltown is one example showing that subsidized housing development sometimes serves as a catalyst for future market-rate development. In the past 20 years, City funds have been used to renovate 25 vacant buildings in Downtown to provide affordable housing.

Note that, within Downtown, Pioneer Square and the International District meet the criteria for designation as Housing Investment Areas. Priorities and strategies for these two Housing Investment Areas are summarized separately below.

The City will continue to prioritize other strategic housing incentive and preservation tools in the broader Downtown area, including the TDR, Housing Bonus, and Multifamily Tax Exemption Programs. A key focus for Downtown will be to address the need for housing affordable to lower-wage workers, typically households with incomes between 51-80% of median income.

Housing & Community Development Priorities (Belltown, Commercial Core, Denny Triangle, and Downtown Urban Center Planning Group Neighborhood Plans):

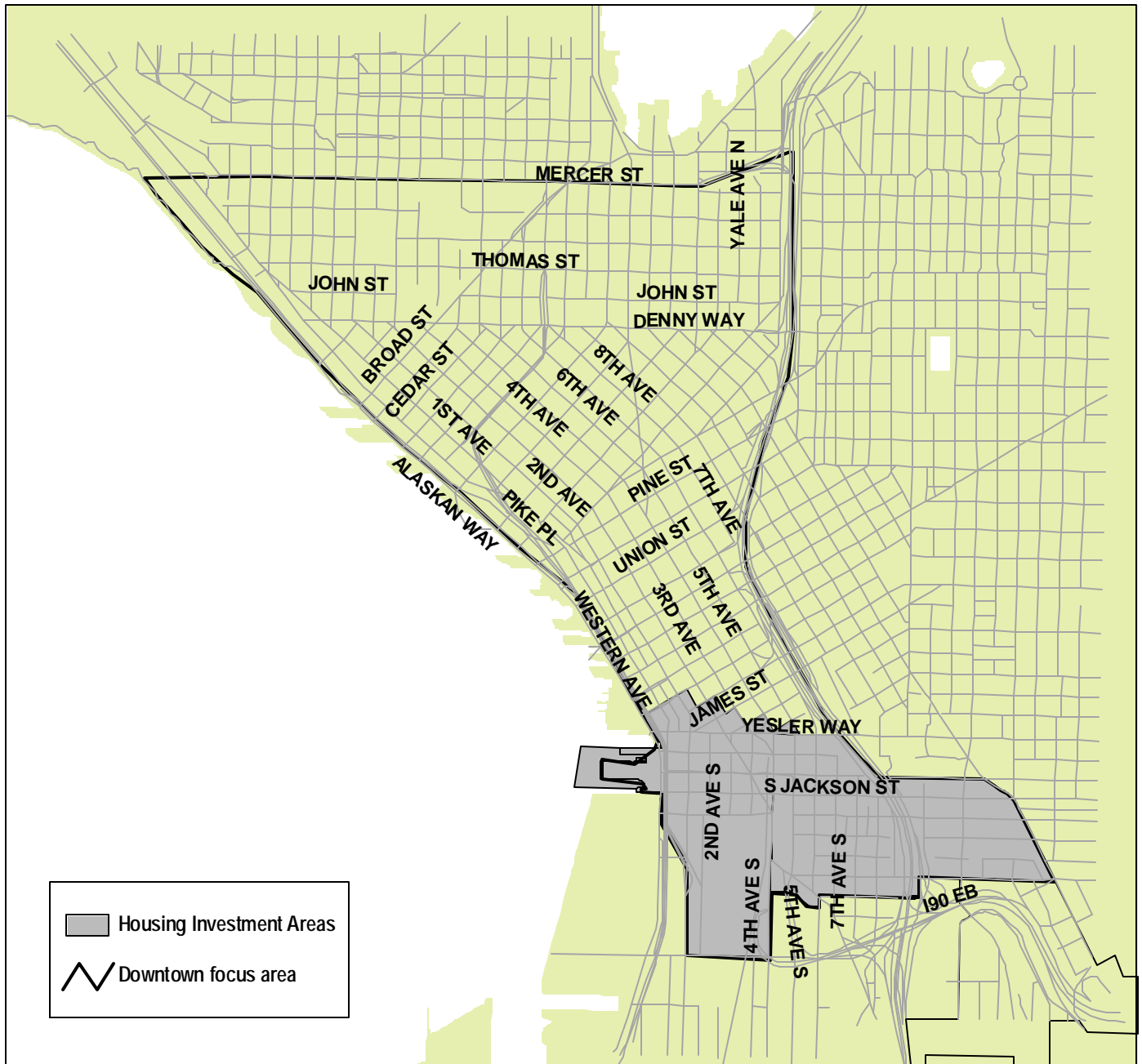
- ▶ Make housing a high priority for TDR & Bonus Programs
- ▶ Support full continuum of housing affordability
- ▶ Preserve Downtown affordable housing
- ▶ Redevelop key sites

Primary Downtown Strategies:

- ▶ Prioritize affordable housing projects that would serve households earning 51-80% of median income
- ▶ Make housing preservation and production the primary focus of the TDR and Bonus programs
- ▶ Make the Multifamily Tax Exemption (MFTE) Program available in certain Downtown urban villages
- ▶ Exempt Downtown from City's dispersion policy, recognizing the unique status of Downtown as a jobs, transit, and services center and the correlating need for housing affordable to the full spectrum of income levels

See Downtown Map on the following page.

-DRAFT- Downtown Map



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Housing Investment Area Priorities and Strategies

Detailed housing and community development priorities and corresponding strategies for each of the designated Housing Investment Areas, primarily identified from Neighborhood Plans, are outlined below. Maps for each geographic area are also included.

International District and Pioneer Square Housing Investment Areas

Housing and Community Development Priorities:

- ▶ Chinatown/International District Neighborhood Plan
 - ◎ Encourage development of moderate-income and family housing
 - ◎ Preserve existing affordable housing
 - ◎ Rehabilitate vacant and substandard buildings
- ▶ Pioneer Square Neighborhood Plan Priorities
 - ◎ Initiate housing development through both renovation of historic structures and new construction
 - ◎ Implement incentives to encourage private development of mixed-income housing
 - ◎ Actively promote housing development opportunities on targeted sites
 - ◎ Secure the Kingdome North Lot for mixed-use development substantially devoted to housing
 - ◎ Protect the existing supply of artist live/work space and expand artist housing opportunities
 - ◎ Maintain existing supply of low and middle-income affordable housing, including mission and shelter beds

International District and Pioneer Square Housing Investment Areas Strategies:

- ▶ Levy Neighborhood Housing Opportunity Program (NHOP) funds may be used within the International District and Pioneer Square Housing Investment Areas. NHOP funds are for highly-visible mixed-income, mixed-use projects that meet key community development goals.
- ▶ Levy Homebuyer Assistance Program funds may be used to assist first-time homebuyers purchase homes within the International District and Pioneer Square Housing Investment Areas.
- ▶ Make housing preservation and production the primary focus of the TDR and Bonus programs.
- ▶ Make the Multifamily Tax Exemption (MFTE) Program available in the International District and Pioneer Square urban villages.
- ▶ In the International District and Pioneer Square Housing Investment Areas, CDBG and HOME funds may be used for units serving households with income up to 80% of median consistent with the Rental Affordability Policy.
- ▶ Restructure financing for affordable housing with expiring subsidy contracts.
- ▶ Multifamily Rehabilitation Program funds are available for renovation of vacant and substandard buildings.
- ▶ Promote Transit Oriented Development near RTA stations.
- ▶ Make publicly owned surplus property available for conversion to mixed-income housing.
- ▶ Redevelopment of key sites (including surface parking lots).

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- ▶ Explore inclusionary zoning strategies for market-rate development on publicly-owned property.
- ▶ Support use of resources for rehabilitation of existing housing.

See International District and Pioneer Square Housing Investment Areas Maps on the following pages.

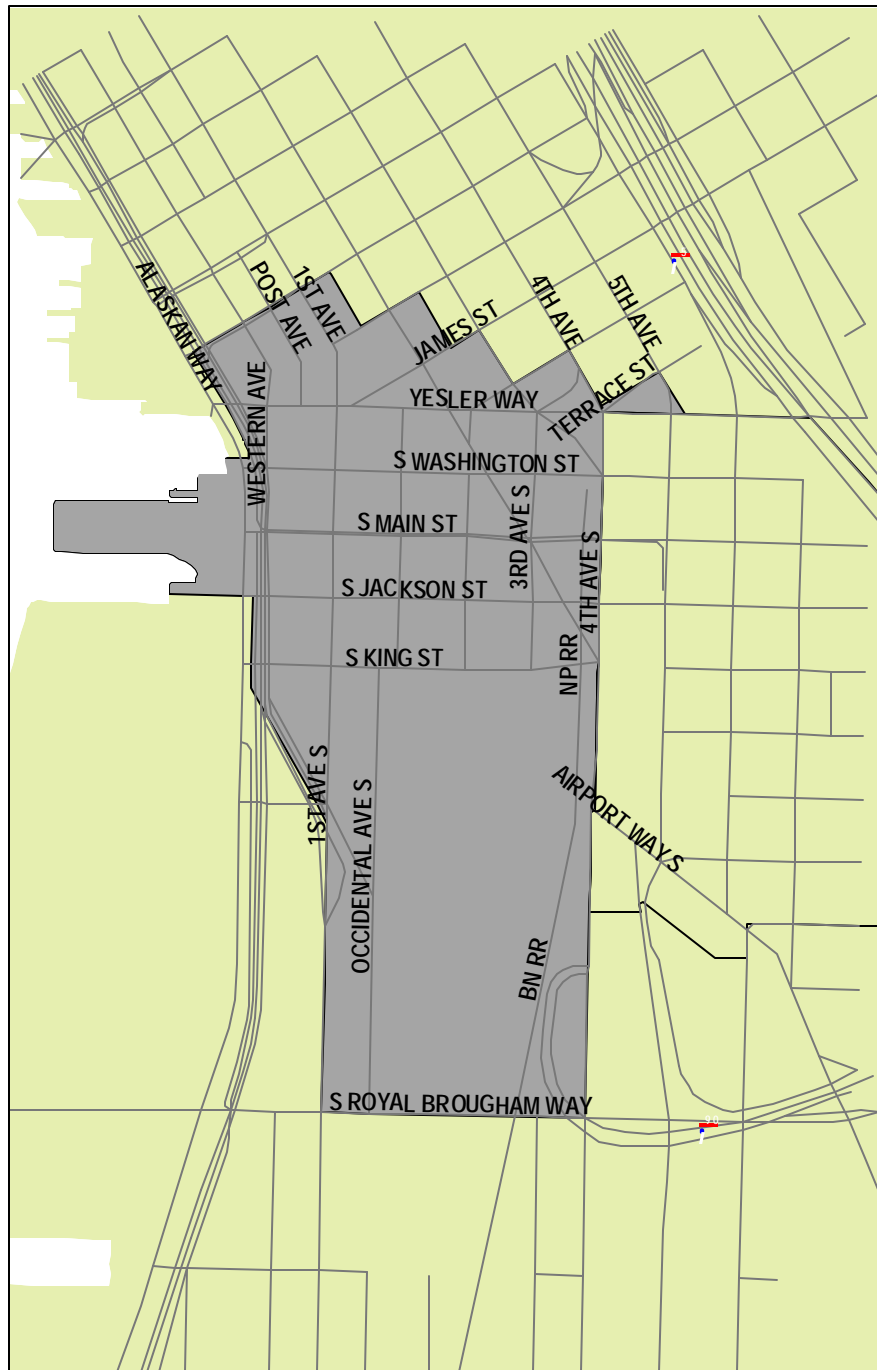
Map of Seattle, Washington, showing the city grid and major roads. The map is oriented with North at the top. The city grid is shown in a light gray color, and the surrounding area is in a light green color. Major roads are labeled in black text. The map shows the city's layout, including the waterfront, the airport, and the surrounding hills. Two small red and white icons are placed on the map, one near the waterfront and one near the airport.

Key roads and landmarks visible on the map include:

- Waterfront:** YESLER WAY, S WASHINGTON ST, WATERFRONT TROLLEY, S MAIN ST, S JACKSON ST, S KING ST, S WELLS ST, S DEARBORN ST, S CHARLES ST.
- Airport Area:** AIRPORT WAY S, 4TH AVE S, 5TH AVE S, 6TH AVE S, 7TH AVE S, 8TH AVE S, 10TH AVE S, 12TH AVE S, 13TH AVE S.
- Other Roads:** MAYNARD AVE S, CANTON AVE S, DEARBORN OFF RP, CORWIN PL S, RAINIER AVE S, DEARBORN PL S, POPLAR PL S.



-DRAFT- Pioneer Square Housing Investment Area



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Central Area Housing Investment Area

Housing and Community Development Priorities (Central Area Neighborhood Plan):

- ▶ Mitigate impacts of gentrification
- ▶ Increase homeownership
- ▶ Encourage development of market-rate housing for moderate-income families
- ▶ Market home maintenance and repair programs to seniors
- ▶ Redevelop key sites

Central Area Housing Investment Area Strategies:

- ▶ Levy NHOP funds may be used within the Central Area Housing Investment Area. NHOP funds are for highly-visible mixed-income, mixed-use projects that meet key community development goals.
- ▶ Levy Homebuyer Assistance Program funds may be used to assist first-time homebuyers purchase homes within the Central Area Housing Investment Area.
- ▶ Make the Multifamily Tax Exemption (MFTE) Program available in the 23rd & Jackson urban village.
- ▶ In the Central Area Housing Investment Area, CDBG and HOME funds may be used for units serving households with income up to 80% of median consistent with the Rental Affordability Policy.
- ▶ Prioritize affordable housing proposals that redevelop key sites identified in the community planning efforts.
- ▶ Market low-interest home improvement loans and free weatherization grants available through the City's HomeWise Program. Particularly focus on outreach to seniors.
- ▶ Make the Office of Housing's Renters' and Homebuyers' Guides available at the Central Neighborhood Service Center and other community centers in the Central Area.
- ▶ Support use of resources for rehabilitation of existing housing.

Community review of proposed rental housing projects in the Central Area Housing Investment Area:

Developers seeking City funding for affordable rental housing are required to follow the City's Good Neighbor Guidelines. Because of the historic concentrations of subsidized rental housing in parts of the Central Area, developers proposing additional City-funded housing must have an in-depth discussion about project plans with adjacent neighbors and appropriate community groups prior to submitting funding applications to the City. Residents must be able to review the project when it is still at a conceptual design stage, so that comments can be considered by both the sponsor and the City.

In addition, the City's dispersion policy applies in the Central Area and throughout the City. The dispersion policy precludes the City from funding, or certifying as consistent with the Consolidated Plan, a project if it would cause the proportion of subsidized rental units in the Census block group to exceed 30% of total housing units. Certain criteria must be met in order for a waiver of the dispersion policy to be granted (neighborhood support, for example). In addition, waivers require prior notice to the Mayor and City Council, and final waiver decisions must take their responses into consideration. In accordance with federal fair housing laws, the City will not base its final funding decisions on community opposition based on any discriminatory motivation.

See Central Area Housing Investment Area Map on the following page.



Southwest and South Park Housing Investment Areas

Housing and Community Development Priorities:

- ▶ Delridge and Westwood-Highland Park Neighborhood Plans
 - ◎ Encourage partnerships with community development organizations like DNDA
 - ◎ Redevelop key sites, particularly in commercial nodes where mixed-use development is envisioned
 - ◎ Support High Point redevelopment efforts
- ▶ South Park Neighborhood Plan
 - ◎ Encourage new construction of affordable housing
 - ◎ Repair and maintain deteriorated housing
 - ◎ Enforce life and safety codes for renter-occupied housing
 - ◎ Provide resources and general information to tenants

Southwest and South Park Housing Investment Areas Strategies:

- ▶ Levy NHOP funds may be used within the Westwood-Highland Park and South Park urban villages, and the 5 commercial nodes identified in the Delridge Neighborhood Plan. NHOP funds are for highly-visible mixed-income, mixed-use projects that meet key community development goals.
- ▶ Levy Homebuyer Assistance Program funds may be used to assist first-time homebuyers purchase homes within the Southwest and South Park Housing Investment Areas.
- ▶ Make the Multifamily Tax Exemption (MFTE) Program available in the Westwood-Highland Park and South Park urban villages.
- ▶ In the Southwest and South Park Housing Investment Areas, CDBG and HOME funds may be used for units serving households with income up to 80% of median consistent with the Rental Affordability Policy.
- ▶ Prioritize affordable housing proposals that redevelop key sites identified in Neighborhood Plans.
- ▶ Market low-interest home improvement loans and free weatherization grants available through the City's HomeWise Program.
- ▶ Make the Office of Housing's Renters' and Homebuyers' Guides available at the Delridge Neighborhood Service Center and other community centers in Southwest Seattle.
- ▶ City should provide continued coordination with the Seattle Housing Authority (SHA) on the redevelopment of High Point.
- ▶ Support use of resources for rehabilitation of existing housing.

Community review of proposed rental housing projects in the Southwest and South Park Housing Investment Areas:

Developers seeking City funding for affordable rental housing are required to follow the City's Good Neighbor Guidelines. Because of the historic concentrations of subsidized rental housing in parts of Southwest Seattle, developers proposing additional City-funded housing must have an in-depth discussion about project plans with adjacent neighbors and appropriate community groups prior to submitting funding applications to the City. Residents must be able to review the project when it is still at a conceptual design stage, so that comments can be considered by both the sponsor and the City.

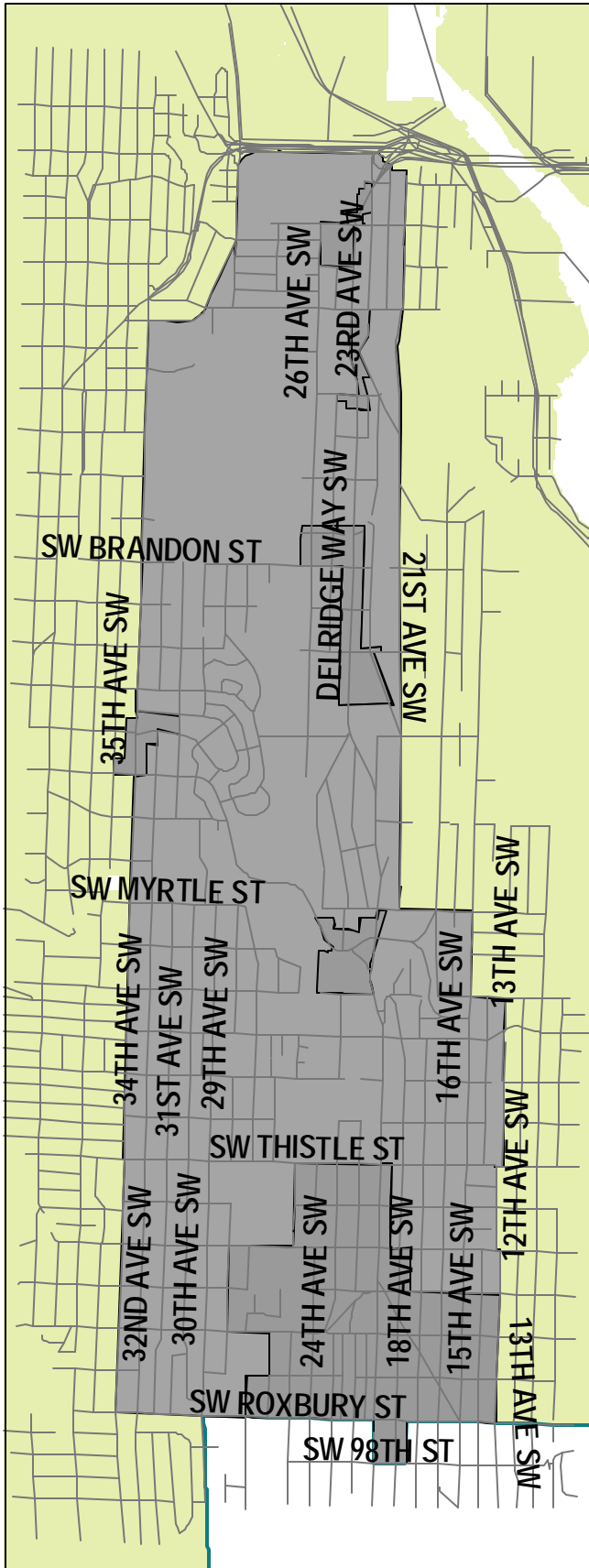
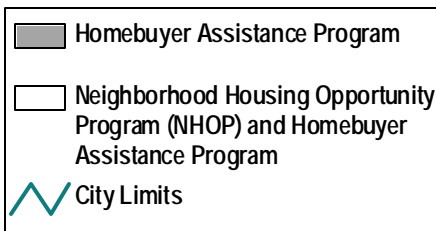
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In addition, the City’s dispersion policy applies in Southwest Seattle and throughout the City. The dispersion policy precludes the City from funding, or certifying as consistent with the Consolidated Plan, a project if it would cause the proportion of subsidized rental units in the Census block group to exceed 30% of total housing units. Certain criteria must be met in order for a waiver of the dispersion policy to be granted (neighborhood support, for example). In addition, waivers require prior notice to the Mayor and City Council, and final waiver decisions must take their responses into consideration. In accordance with federal fair housing laws, the City will not base its final funding decisions on community opposition based on any discriminatory motivation.

See Southwest and South Park Housing Investment Areas Maps on the following pages

-DRAFT- Southwest Seattle Housing Investment Area



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City Limits



Southeast Seattle Housing Investment Area

Housing and Community Development Priorities (Beacon Hill, North Rainier, Columbia City, MLK @ Holly, & Rainier Beach Neighborhood Plans):

- Encourage partnerships with community development organizations like SEED and HomeSight
- Redevelop key sites
- Provide more housing for seniors
- Increase homeownership opportunities for low- and moderate-income households
- Support Holly Park and Rainier Vista redevelopment efforts

Southeast Housing Investment Area Strategies:

- Levy NHOP funds may be used within the North Rainier, Columbia City, MLK @ Holly, Rainier Beach, and North Beacon Hill urban villages. NHOP funds are for highly-visible mixed-income, mixed-use projects that meet key community development goals.
- Levy Homebuyer Assistance Program funds may be used to assist first-time homebuyers purchase homes within the Southeast Housing Investment Area.
- Make the Multifamily Tax Exemption (MFTE) Program available in the North Rainier, Columbia City, MLK @ Holly, Rainier Beach, and North Beacon Hill urban villages.
- In the Southeast Housing Investment Area, CDBG and HOME funds may be used for units serving households with income up to 80% of median consistent with the Rental Affordability Policy.
- Prioritize affordable housing proposals that redevelop key sites identified in Neighborhood Plans. Also prioritize proposals that would increase affordable rental housing for seniors.
- Market low-interest home improvement loans and free weatherization grants available through the City's HomeWise Program. Particularly focus on outreach to seniors. Use the HomeWise Program as a tool to improve pockets of deteriorated and neglected housing in Southeast Seattle.
- Make the Office of Housing's Renters' and Homebuyers' Guides available at the Southeast Neighborhood Service Center and other community centers in Southeast Seattle.
- City to provide continued coordination with the Seattle Housing Authority (SHA) on the redevelopment of Holly Park and Rainier Vista.
- City to work with SHA to ensure private-market Section 8 units are maintained in good condition.
- Support use of resources for rehabilitation of existing housing.

Community review of proposed rental housing projects in the Southeast Housing Investment Area:

Developers seeking City funding for affordable rental housing are required to follow the City's Good Neighbor Guidelines. Because of the historic concentrations of subsidized rental housing in parts of Southeast Seattle, developers proposing additional City-funded housing must have an in-depth discussion about project plans with adjacent neighbors and appropriate community groups prior to submitting funding applications to the City. Residents must be able to review the project when it is still at a conceptual design stage, so that comments can be considered by both the sponsor and the City.

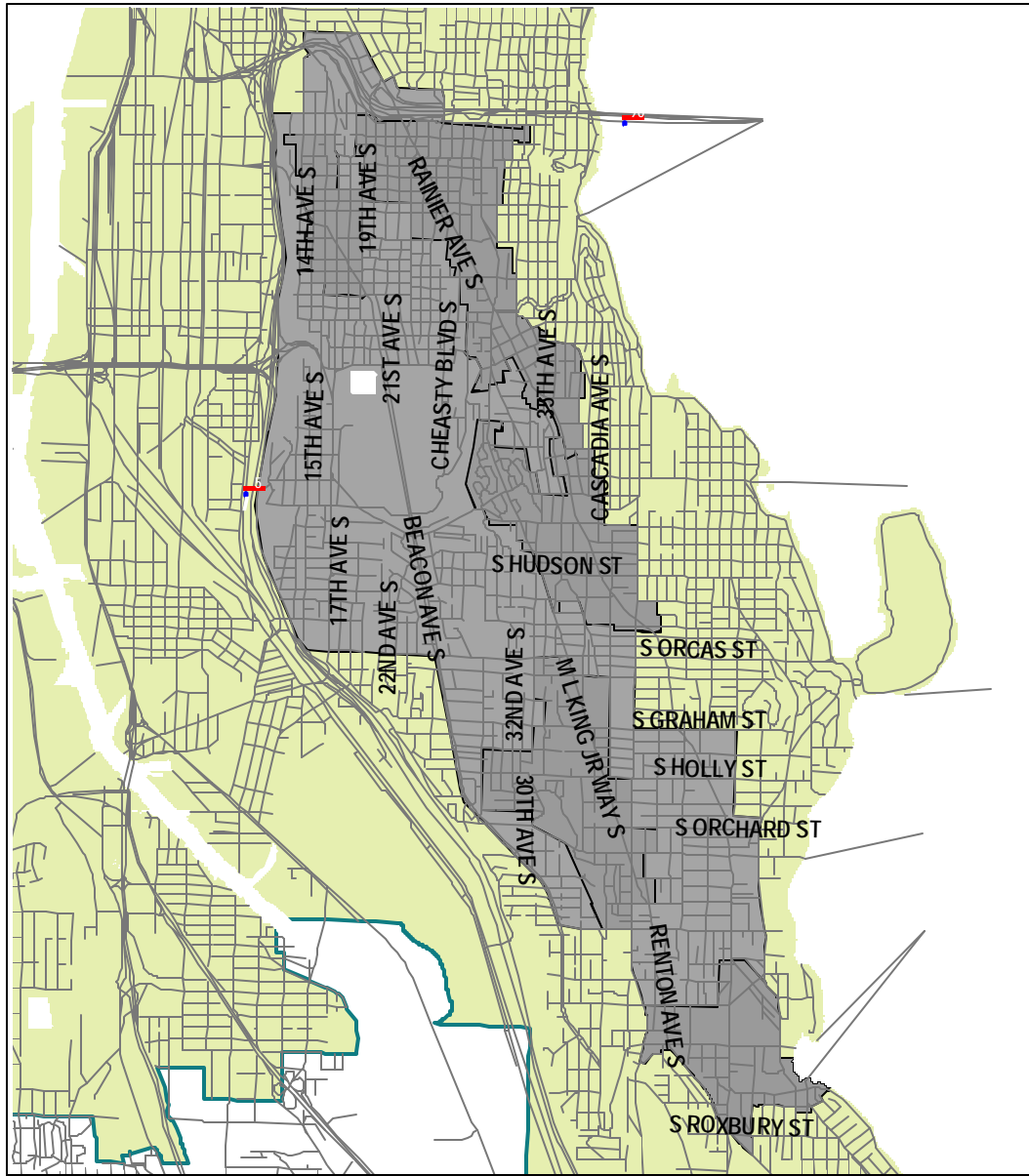
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In addition, the City's dispersion policy applies in Southeast Seattle and throughout the City. The dispersion policy precludes the City from funding, or certifying as consistent with the Consolidated Plan, a project if it would cause the proportion of subsidized rental units in the Census block group to exceed 30% of total housing units. Certain criteria must be met in order for a waiver of the dispersion policy to be granted (neighborhood support, for example). In addition, waivers require prior notice to the Mayor and City Council, and final waiver decisions must take their responses into consideration. In accordance with federal fair housing laws, the City will not base its final funding decisions on community opposition based on any discriminatory motivation.

See Southeast Housing Investment Area Map on the following page

-DRAFT- Southeast Seattle Housing Investment Area



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Bitter Lake and Northgate Housing Investment Areas

Housing and Community Development Priorities:

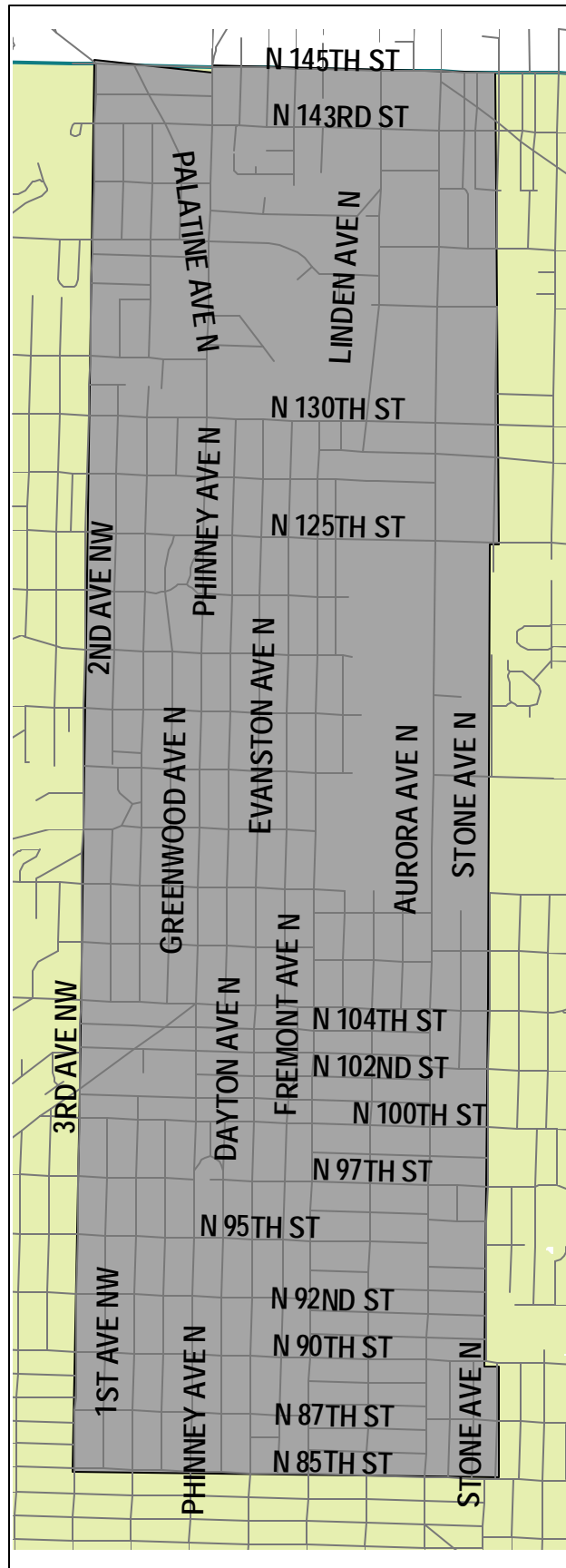
- ▶ Bitter Lake Neighborhood Plan
 - © Promote redevelopment that creates and enhances a pedestrian environment
 - © Provide assistance to homeowners interested in developing accessory dwelling units (ADUs)
- ▶ Northgate Neighborhood Plan Priorities
 - © Promote mixed-use development in the Northgate core, to create a pedestrian environment and support transit hub
 - © Promote housing that is affordable to all income levels and is compatible with adjacent single-family areas

Bitter Lake and Northgate Housing Investment Areas Strategies:

- ▶ Levy Homebuyer Assistance Program funds may be used to assist first-time homebuyers purchase homes within the Bitter Lake and Northgate Housing Investment Areas.
- ▶ Make the Multifamily Tax Exemption (MFTE) Program available in the Northgate urban village.
- ▶ Prioritize affordable housing proposals that redevelop key sites identified in Neighborhood Plans and promote the vision for more pedestrian-friendly environments.
- ▶ Make the Office of Housing's Renters' and Homebuyers' Guides available at Bitter Lake and Northgate community centers.
- ▶ Support use of resources for rehabilitation of existing housing.

See Bitter Lake and Northgate Housing Investment Areas Maps on the following pages

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Bitter Lake Housing Investment Area



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This map shows the area around the NE 12th St station in Seattle. The station is located on the NE 12th St line, between NE 10th St and NE 14th St. The map includes the following streets:

- North-South Streets:** N 120th St, N 115th St, N 113th St, N 107th St, N 106th St, N 105th St, N 103rd St, N 101st St, N 99th St, N 97th St, N 95th St, N 93rd St, N 91st St, N 89th St, N 87th St, N 85th St, N 83rd St, N 81st St, N 79th St, N 77th St, N 75th St, N 73rd St, N 71st St, N 69th St, N 67th St, N 65th St, N 63rd St, N 61st St, N 59th St, N 57th St, N 55th St, N 53rd St, N 51st St, N 49th St, N 47th St, N 45th St, N 43rd St, N 41st St, N 39th St, N 37th St, N 35th St, N 33rd St, N 31st St, N 29th St, N 27th St, N 25th St, N 23rd St, N 21st St, N 19th St, N 17th St, N 15th St, N 13th St, N 11th St, N 9th St, N 7th St, N 5th St, N 3rd St, N 1st St, N 0th St.
- East-West Streets:** NE 12th St, NE 11th St, NE 10th St, NE 9th St, NE 8th St, NE 7th St, NE 6th St, NE 5th St, NE 4th St, NE 3rd St, NE 2nd St, NE 1st St, NE 0th St.
- Other Streets:** CORLISS AVENUE, NORTHGATE MALL, MERIDIAN AVENUE, COLLEGE WAY N, 1ST AVE NE, 3RD AVE NE, 5TH AVE NE, 7TH AVE NE, 9TH AVE NE, 11TH AVE NE, 12TH AVE NE, ROOSEVELT WAY NE.

The map also shows the location of the NE 12th St station, which is a light rail station. The station is located on the NE 12th St line, between NE 10th St and NE 14th St. The map includes a legend for the station and the line.

